Weekly Wealth Wrap-Up

Your Guide to India's Markets and Economy

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VOLATILITY PERSISTS, BANKING STOCKS LEAD RECOVERY

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Indian equity markets continued their upward momentum in the week ending 3rd July 2026, supported by broad-based buying across large caps and the broader market.

The Nifty 50 closed at 24,270.85, gaining 0.89% week-on-week, while the Sensex advanced 0.86% to 77,763.91. Market breadth remained strong, with the Nifty Small Cap 250 outperforming with a sharp 1.65% rise, followed by the Midcap 150 index gaining 0.58%. However, Bank Nifty underperformed marginally, declining 0.41%, indicating some profit booking and near-term consolidation after its recent rally.

On the commodities front, precious metals witnessed a sharp rally, with gold gaining 3.23% and silver rising nearly 7%, while Brent crude remained largely stable near $72/bbl which is positive for Indian economy.

On the economic side, there are several positive developments. The government is pushing sectors like defence and semiconductors with large investments, which is good for long-term growth. The upcoming EV policy will also benefit electric vehicle-related companies. Additionally, India's exports are growing strongly, and a possible trade deal with the US could further support the economy.

However, there are a few concerns too. The fiscal deficit has already reached 9.6% of the yearly target, which means government spending needs to be monitored. Also, RBI has hinted at reviewing inflation targets in the long term.

A key factor to watch now is the upcoming Q1FY27 results. These results will decide the market's next move. So far, most companies have given business updates in line with expectations, but companies that disappointed have seen sharp falls in their stock prices. This shows that markets are very sensitive to earnings at current levels.

THIS WEEK'S KEY HEADLINES:

- ₹1 Lakh Cr+ Defence Procurement Under Review
- India Eyes Higher Japanese Investment
- India–US Near Another Major Boeing Deal
- RBI Reviews Long-Term Inflation Target
- Fiscal Deficit Hits 9.6% of FY27 Target
- India's Industrial Growth Rises to 5.1% in May
- PM Modi to Make First-Ever New Zealand Visit
- Centre Clears Semiconductor Mission 2.0
- Q1 Exports Jump 15%; India–US Trade Deal Nears
- UK Reviews $110 Billion Paramount–Warner Deal
- Trump Proposes 100% Tariff on Digital Tax Nations
- Government Invites Fresh Bids for IDBI Bank Sale
- Tata Motors to Launch 4 New EVs by FY31

From a technical perspective, Nifty has shown resilience by closing above its 100-day EMA and is now approaching its 200-day EMA, placed around the 24,480–24,500 zone. This level is likely to act as an immediate resistance for the market. A decisive breakout above this zone could open the path towards the 24,800–25,000 range in the near term. On the downside, immediate support is placed around 24,150, followed by a stronger support near the 23,950–24,000 zone, which is expected to provide a cushion against sharp declines.

Bank Nifty, on the other hand, is currently in a consolidation phase after a strong up move. The index has been trading in a narrow range over the past three weeks without any signs of a breakdown, indicating underlying strength. Immediate support is seen around 57,400 and 57,000 levels, while resistance is placed near 59,000 and 59,900. Relative to the broader market, Bank Nifty appears structurally stronger and may lead the next leg of the rally once it breaks out of its consolidation range.

Markets are expected to remain range-bound with a positive bias in the near term, driven by a combination of global cues, domestic macro data, and earnings outcomes. Key global triggers include US ISM Services PMI, jobless claims, and inflation data, which will guide interest rate expectations. Domestically, focus will remain on CPI, WPI, liquidity trends, and credit growth. Given the recent run-up in certain pockets, markets may witness intermittent volatility. Sectorally, defence, capital goods, EV ecosystem, and export-oriented sectors are likely to remain in focus, while banking could continue its consolidation before any decisive move.

Investors should maintain a selectively bullish stance, focusing on companies with strong earnings visibility and structural growth drivers. Fresh aggressive buying at higher levels should be avoided; instead, a staggered approach on dips is advisable. Overall, while the structural growth story of Indian equities remains intact, near-term market direction will be largely dictated by earnings delivery, macro data, and global cues.

INDIAN ECONOMY & MARKET

Defence Procurement worth over ₹1 Lakh Crore under Review

The Defence Acquisition Council (DAC), chaired by Defence Minister Rajnath Singh, is expected to review defence procurement proposals worth more than ₹1 lakh crore. The approvals aim to strengthen India's military capabilities through high-value acquisitions. This could become one of the most significant DAC meetings in recent years and may create opportunities for companies involved in defence manufacturing and related equipment.

India Sees Scope for Higher Japanese Investment

PM Modi said that India has the potential to exceed the target of attracting 10 trillion yen in Japanese investment within the next decade. He highlighted the strong and expanding economic partnership between India and Japan, supported by reforms, infrastructure development and manufacturing opportunities. The statement reflects the government's confidence in attracting long-term foreign investment into India's growth sectors.

RBI Warns Cryptocurrency Could Impact Financial Stability

The RBI has told a parliamentary panel that cryptocurrencies continue to pose risks to India's macroeconomic and financial stability. The central bank reiterated its long-standing concerns over digital assets and their potential impact on monetary policy and the financial system. The RBI maintained that careful monitoring of the cryptocurrency ecosystem remains important to safeguard the country's economic stability.

India, US near Another Major Boeing Agreement

India and the United States are close to finalising another major agreement involving Boeing, according to US Ambassador Eric Garcetti. While specific details of the deal have not yet been disclosed, the ambassador indicated that discussions are at an advanced stage. If concluded, the agreement would further strengthen India-US commercial ties and expand Boeing's presence in the Indian market.

RBI Governor Discusses Long-Term Inflation Target Review

RBI Governor Sanjay Malhotra said there is a case for reviewing India's inflation target over the long term. He discussed the possibility of considering a 2%–6% inflation band, while emphasizing that any change would require detailed analysis and broad consensus. The remarks indicate that the central bank is open to evaluating the inflation framework as the economy continues to evolve.

Government Rules Out Petrol and Diesel Price Cut for Now

Petroleum Minister Hardeep Singh Puri said there is no legitimate case for reducing petrol and diesel prices at present. He explained that India imports a large portion of its crude oil requirements and fuel pricing depends on several factors, including international market conditions. The government's current focus remains on ensuring energy security and maintaining stability in domestic fuel supplies.

India's Fiscal Deficit Reaches 9.6% of FY27 Target

India's fiscal deficit reached 9.6% of the full-year FY27 target during the first two months of the financial year. According to government data, geopolitical uncertainties have influenced spending and revenue trends. While the deficit has widened in the early part of the year, the government continues to follow its fiscal consolidation roadmap and manage public finances through the remainder of FY27.

India's Industrial Growth Accelerates to 5.1% in May 2026

India's Index of Industrial Production (IIP) grew 5.1% YoY in May, marking the fastest growth in five months. The improvement was mainly supported by strong performance in the manufacturing and electricity sectors. The data indicates continued strength in industrial activity and suggests that domestic economic momentum remained healthy despite global uncertainties.

GST Collections Rise 13.9% to ₹1.94 Lakh Crore in June 2026

India's GST collections increased 13.9% year-on-year to ₹1.94 lakh crore in June, reflecting healthy economic activity and improved tax compliance. The strong growth in collections indicates resilient domestic demand and steady business transactions across sectors. Higher GST revenues also provide additional support to the government's fiscal position during the current financial year.

PM Modi to Visit New Zealand for the First Time

New Zealand Prime Minister Christopher Luxon announced that Prime Minister Narendra Modi will make his first official visit to New Zealand. Luxon described the visit as an opportunity to celebrate the strong partnership between the two countries and further strengthen cooperation. The visit is expected to deepen bilateral ties across trade, investment and other areas of mutual interest.

India's Q1 Exports Grow 15%; India–US Trade Deal Nears Completion

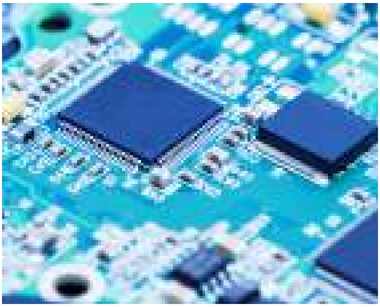
Commerce Minister Piyush Goyal said India's exports grew 15% in the first quarter despite global uncertainties. He added that negotiations for the India–US trade agreement are in the final stages and nearing completion. The proposed deal is expected to strengthen bilateral trade, boost exports, and deepen economic cooperation between the two countries.

Delhi EV Policy 2026 to Accelerate Electric Mobility

The Delhi Cabinet has approved the EV Policy 2026, proposing a ₹15,000 crore investment over four years to boost EV adoption. The policy offers incentives for electric vehicles, a ₹1 lakh scrappage benefit, plans to phase out new CNG auto-rickshaws from 2027 and petrol two-wheelers from 2028, and expand charging and battery-swapping infrastructure.

Finance Ministry Panel Clears India Semi-conductor Mission 2.0

A Finance Ministry panel has approved India Semiconductor Mission 2.0 with an outlay of ₹1.25 lakh crore. The proposal aims to strengthen India's semiconductor ecosystem by supporting chip manufacturing, design, packaging and related infrastructure. The mission is intended to reduce import dependence, attract fresh investments and accelerate the country's long-term semiconductor manufacturing ambitions.



GLOBAL AFFAIRS

UK May Review Paramount–Warner Bros. Discovery Deal

The UK government is considering intervening in Paramount Global's proposed $110 billion merger with Warner Bros. Discovery. Authorities are assessing whether the transaction raises public interest concerns before deciding on the next steps. The review highlights the regulatory scrutiny surrounding one of the largest media deals globally, and any intervention could influence the merger timeline and approval process.

Samsung and SK Hynix Plan Massive Chip Investment

Samsung Electronics and SK Hynix are reportedly planning to invest around 1.3 trillion won over the next ten years to strengthen South Korea's semiconductor ecosystem. The investment aims to enhance chip manufacturing capabilities and support long-term industry growth. The move reflects the companies' continued focus on maintaining leadership in the global semiconductor market amid rising technology demand.

Trump Proposes 100% Tariff over Digital Services Taxes

US President Donald Trump said countries that impose digital services taxes on American technology companies could face 100% tariffs on their exports to the United States. The proposal is aimed at countering taxes that the US considers unfair to its companies. If implemented, the move could increase trade tensions with countries that levy such digital taxes.

CORPORATE CORNER

Government Invites Fresh Bids for IDBI Bank Sale

The government has invited fresh financial bids for the strategic sale of IDBI Bank and is targeting completion of the disinvestment during FY27. The process is moving into the next stage as authorities continue efforts to privatise the bank. A successful transaction would mark another significant step in the government's broader disinvestment programme and banking sector reforms.

Tata Motors Plans Major EV Expansion by FY31

Tata Motors is planning a significant expansion of its passenger vehicle portfolio by FY31. The company aims to launch four new electric vehicle models and introduce 10 model refreshes during this period. The strategy is focused on strengthening its EV presence while keeping its existing product lineup updated. This roadmap reflects Tata Motors' long-term commitment to India's growing electric vehicle market.

Zerodha Seeks Merchant Banking Licence

Zerodha has applied to SEBI for a merchant banking licence, marking its planned entry into the investment banking business. If approved, the company will be able to offer services such as managing public issues, advisory services and other capital market-related activities. This move reflects Zerodha's strategy to expand beyond its core stock broking business into new financial services.

PFC–REC Merger Receives Board Approval

The boards of Power Finance Corporation (PFC) and REC Ltd. have approved their merger. Under the approved scheme, REC shareholders will receive 88 equity shares of PFC for every 100 REC share held. The proposed merger aims to create a stronger and larger financing institution, subject to approvals from shareholders, regulators and other statutory authorities.

ICRA Raises Indian Airlines Loss Estimate to ₹38,000 Crore

ICRA has revised its FY27 outlook, projecting combined losses of ₹36,000–38,000 crore for Indian airlines due to a weaker rupee, elevated jet fuel and aircraft leasing costs, and geopolitical disruptions impacting air travel demand and operating expenses.

IBM to Launch One of India's First Quantum Computers in Amaravati by 2026

IBM will install one of India's first quantum computers in Amaravati, Andhra Pradesh, with commissioning scheduled for September 2026. The system will support advanced research in pharmaceuticals, materials science, AI, cybersecurity, logistics and financial services. It will serve as the foundation of Andhra Pradesh's ambitious Quantum Valley initiative, aimed at building India's first integrated quantum ecosystem. The project will bring together global technology firms, startups, academic institutions and researchers to accelerate innovation and talent development. The initiative is expected to strengthen India's deep-tech capabilities and position the country as a global leader in quantum computing and next-generation technologies.